DEPARTMENT OF HEALTH AND HUMAN SERVICES FORM APPROVED

HEALTH CARE FINANCING ADMINISTRATION OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: **02-44** 2. STATE: **New York**
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE **April 1, 2002**

5. TYPE OF PLAN MATERIAL *(Check One)*:

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT **XX**

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION: **42 CFR Part 447**	7. FEDERAL BUDGET IMPACT: a. FFY **2001-2002** $0 _____ b. FFY **2002-2003** $0 _____
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: **Attachment 4.19-D Part I, Page 47(t) and 47(t)(1)** *** SEE REMARKS	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT: **Attachment 4.19-D Part I, Page 47(t)** **Attachment 4.19-D Part I, Page 47(t)(1) is new**

10. SUBJECT OF AMENDMENT: **Workforce Recruitment & Retention – Nursing Homes**

11. GOVERNOR'S REVIEW *(Check One)*:

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED **xxx**

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: Kathryn L. Kuhmerker	16. RETURN TO: **New York State Department of Health, Corning Tower, Empire State Plaza, Albany NY 12237**
13. TYPED NAME: **Kathryn L. Kuhmerker**	
14. TITLE: **Deputy Commissioner Office of Medicaid Management**	
15. DATE SUBMITTED: June 28, 2002	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: NOV 12 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/02	20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Sue Kelly	22. TITLE: Associate Regional Administrator Division of Medicaid and State Operations

23. REMARKS:

As per State request orignally submitted pages have been withdrawn and revised and are now being approved with the submission of the new pages.

The commissioner of health shall adjust medical assistance rates of payment for services provided on or after April 1, 2002, established pursuant to this section for non-public residential health care facilities for purposes of recruitment and retention of health care workers in the following aggregate amounts for the following periods:

For non-public residential health care facilities, up to fifty-three million five hundred thousand dollars on an annualized basis for the period April 1, 2002 through December 31, 2002; up to eighty-three million three hundred thousand dollars on an annualized basis for the period January 1, 2003 through December 31, 2003; and up to one hundred fifteen million eight hundred thousand dollars on an annualized basis for the period January 1, 2004 through December 31, 2004.

For non-public residential health care facilities, such increases shall be allocated proportionally based on each non-public residential health care facility's reported total gross salary and fringe benefit costs on exhibit H of the 1999 RHCF-4 cost report or exhibit 11 of the 1999 institutional cost report as submitted on or before November 1, 2001, where applicable, to the total of such reported costs for all non-public residential health care facilities.

Non-public residential health care facilities in operation as of April 1, 2002 which have not submitted 1999 RHCF-4 cost reports or 1999 institutional cost reports but which have submitted such reports for cost years subsequent to 1999 shall have such increases allocated based on total gross salary and fringe benefit costs on exhibit H of the earliest subsequently submitted RHCF-4 cost report or exhibit 11 of the earliest subsequently submitted institutional cost report, as trended downward to 1999 using authorized trend factors. These trend factors shall be developed in accordance with Page 51(a) of this Attachment and will be consistent with those used in the calculation of the facility's reimbursement rates.

Non-public residential health care facilities in operation as of April 1, 2002 which have not submitted 1999 or subsequent RHCF-4 cost reports or institutional cost reports shall have such increases allocated based on imputed total gross salary and fringe benefit costs reflecting the average of such 1999 actual reported costs in the region in which each facility is located. Facilities receiving allocations pursuant to this paragraph which subsequently submit RHCF-4 cost reports or institutional cost reports shall, for the purpose of setting medical assistance rates of payment, have such allocations adjusted to reflect costs which were incurred in connection with such allocations and which are contained in such cost reports.

These amounts shall be included as a reimbursable cost add-on to medical assistance fee-for-service rates of payment established pursuant to this section, based on Medicaid utilization data in each facility's annual cost report submitted two years prior to the rate year or projected Medicaid utilization data for those facilities that have not submitted an annual cost report for the period two years prior to the rate year. Such amounts shall not be reconciled to reflect changes in medical assistance utilization between the year two years prior to the rate year and the rate year.